

SAMPLE FORM FOR A SERVICE PROVIDER SAMP SELLER WHO MAKES  
§205 & §206 DISCLOSURES IN A SINGLE DOCUMENT -- CHECK THE LAW  
FOR COMPLETENESS AND APPLICABILITY FOR YOUR PROGRAM

TO BE IN	{	DISCLOSURES REQUIRED
BY 16 POINT	{	CALIFORNIA LAW
TYPE	{	

THE STATE OF CALIFORNIA HAS NOT REVIEWED AND DOES NOT  
APPROVE, RECOMMEND, ENDORSE OR SPONSOR ANY SELLER  
ASSISTED MARKETING PLAN. THE INFORMATION CONTAINED IN THIS  
DISCLOSURE HAS NOT BEEN CHECKED BY THE STATE. IF YOU HAVE  
ANY QUESTIONS ABOUT THIS PURCHASE, SEE AN ATTORNEY OR  
OTHER FINANCIAL ADVISOR BEFORE YOU SIGN A CONTRACT OR  
AGREEMENT

1. **Seller (and Seller's Parent or Affiliate Company)**

The name of the Seller of this Seller Assisted Marketing Plan is : \_\_\_\_\_.

The Seller does business under the name of : \_\_\_\_\_. The name of any parent or affiliated company of the Seller is: \_\_\_\_\_.

{ §205a }

2. **Names and Addresses of Owners, Directors and Officers and /or Partners:**

_____	Owner, Director, President
_____	Director, Vice President
_____	Director, Secretary/Treasurer
_____	Partner
_____	Partner

The individuals having management responsibilities in connection with Settler's business activities are:

{ 206a }

3. **Personal Information.**

Whether the Seller, any of the above named persons, or any other company, previously managed by any of the above named persons:

(a) Has been convicted of a felony or misdemeanor or pleaded nolo contendere to a felony or misdemeanor charge involving an alleged violation of Title 2.7 of Part 4 of the California Civil Code [contracts for Seller Assisted Marketing Plans] or convicted of fraud, embezzlement, fraudulent conversion or misappropriation of property.

(b) Has been held liable in a civil action by final judgment or consented to the entry of a stipulated judgment in a civil action alleging a violation of Title 2.7 or Part 4 of the California Civil Code [Contracts for Seller Assisted Marketing Plans] of the California Civil Code or alleging fraud, embezzlement, fraudulent conversion or misappropriation of property or the use of untrue or misleading representations in any attempt to sell or dispose of real or personal property or the use of unfair unlawful of deceptive business practices.

(c) Is subject to any currently effective agreement, injunction, or restrictive order \*\*\*, including, but not limited to, a “cease and desist” order, an “assurance of discontinuance, “ or other comparable agreement or order, relating to business activity as the result of an action or investigation brought by a public agency or department, including, but not limited to, an action affecting any vocational license.

(d) Has at any time during the previous seven years filed bankruptcy, been adjudged a bankrupt, been reorganized due to insolvency, or been a principal, director, officer, trustee, general or limited partner, or had management responsibilities of any other person who has so filed or was so adjudicated or reorganized, during or within one year after the period that the individual held such position.

[If the Seller, any person identified in #2, above, or any company previously managed by any person identified in #2, above, has been involved in any of the matters set forth in #3, the Seller must disclose who and in what manner.]

{ §206a }

4. **Time Company has been in Business**

Seller has not sold any seller–assisted marketing plans other than the one being offered herein. [If you have sold other Seller Assisted Marketing Plans, you must disclose this fact and the length of time you have sold SAMP’s.] Seller has been selling; this seller–assisted marketing plan [s] since (month and year).

[See §204(c) to determine whether either a bond or trust account is required before you can start selling. If you must obtain a bond or trust account, place the required §205(g) and § 206(d) disclosure information here.]

5. **Services Performed or Provided by the Seller.**

Seller shall perform the following services in connection with the sale of this Seller Assisted Marketing Plan to Purchaser:

- (a) [Example: A comprehensive day long training program as described in paragraph 6, below];
- (b) [Example: A comprehensive Operations Manual];
- (c) [Example: Provision relating to exclusivity of territory, if you sell exclusivity of territory, if you sell exclusive territories];

(d) [Example: Details of help to be provided in finding location for business premises, location of equipment, products or supplies, etc., if you provide these services or contract with a third party to provide them to purchasers.]

(e) Location Services, Equipment, Products and Suppliers;

(f)

{§205(c)}

6. **Training**

Seller or its designated agent shall provide Purchases and one(1) other person, or two (2) persons selected by Purchase, with a comprehensive \_\_\_\_\_ day training program. The training shall consist of orientation and classroom instruction at Seller's \_\_\_\_\_ training facility, and hands-on training. Training classes shall be held \_\_\_\_\_ (date)\_\_\_\_\_.

Additional classes may be scheduled at the option of Seller. Each training program will cover the following topics:

(a)

(b)

(c)

(d)

Seller shall pay expenses pertaining to travel and lodging for this training program, for a maximum of two (2) individuals. Purchaser shall be responsible for all expenses pertaining to food during the course of this training program and for any supplemental or optional instruction course attended by Purchaser.

{§205(e)}

7. **Payments.**

The purchase price of this Sellers Assisted Marketing Plan is \_\_\_\_\_, to be paid in the following manner:

(a) Purchaser shall pay to Seller or its designated agent a down payment of \_\_\_\_\_ upon execution by Purchaser of the Purchase Contract.

(b) The balance of the purchase price \_\_\_\_\_, shall be due upon complete compliance with the terms of the Purchase Contract which the parties agree shall be upon purchaser's receipt of the following materials and services.

(1)

(2)

(3)

(c) Of the purchase price, \$ \_\_\_\_\_ will be paid to the salesperson who sells you this SAMP.

{§205(b)}

8. **No buy-Back or Security Agreement.**

Seller, provides no "buy-back", "protection" or "secured investment" arrangement of any nature whatsoever which would serve to protect Purchaser from the loss of any purchases or payment in connection with this Seller Assisted Marketing Plan.

9. **Ranges of Earnings Statement.**

No guarantee of earnings or range of earnings is made herein. Seller is not required to secure a bond or establish a trust deposit pursuant to California Civil Code section 1812.204.

If the Seller makes any statement concerning potential earnings or range of earnings that may be made through the SAMP, data to substantiate this claim, as described in §204(d), must be left with the potential purchaser at the time the claim is made and the following statement must appear in the disclosure document:

*[“No guarantee of earnings or ranges of earnings can be made. The number of purchasers who have earned through this business an amount in excess of the amount of their initial payment is at least \_\_\_\_\_, which represents \_\_\_\_\_ percent of the total number of purchasers of this Seller Assisted Marketing Plan.”]*

{§205(d)}

10. **Financial Statements.**

Attached hereto as Exhibit “A” and made a part hereof, by reference is a recent, not more than 12 months old, financial statement of Seller, including a statement of any material changes in the financial condition of the Seller from the date of the financial statement until now.

{ §206(e) }

11. **Purchase Contract and Cancellation Procedures.**

Attached hereto as Exhibit “B” and made a part hereof by reference is a copy of the purchase Contract to be entered into between Seller and purchaser. Cancellation procedures are described in said attached purchase Contract.

{ §206(f) }

# CONTRACT

[Must be printed in 10 Point or equivalent size print]

[The terms of Seller Assisted Marketing Plan contracts vary but such contracts must contain certain mandatory provision]

1. **Seller's name, Principal Place of Business and Agent for Service of Process. (cannot be a Post Office Box or private mail drop box).**

Seller's name is:

The principal business address of Seller is:

Seller's agent in the State of California authorized to receive service of process is:

{ §209(d) }

2. **Seller's Form of business.**

Sellers is a general partnership. The General Partners are:

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(Seller is a \_\_\_\_\_ Corporation) (Seller is an individual)

{ §209(e) }

3. **Description of Seller's Obligations.**

A full and detailed description of the acts or services the seller will undertake to perform for the purchaser.

{ §209(c) }

4. **Information Regarding Seller's Suppliers.**

The name and address of the supplier of the products, equipment or supplies he seller is to deliver to the purchaser.

{ §209(i) }

**5. Terms and Conditions of Payment.**

The terms and conditions of payment, including the due dates and amounts of the initial payment, additional payments and down payment. If the down payment exceeds 20% of the “initial payment” (all payments required prior to delivery and for 6 months thereafter), the contract must set forth details about the escrow account as required by §209(a) [see §1209(a), 210(b) and §214(c)].

{§209(a)}

**6. Delivery Date and Location of Delivery.**

The delivery date or, when the contract provides for staggered delivery dates, the approximate delivery date of the items which the purchaser needs to start the business and whether the items are to be placed by the Seller at locations owned or managed by persons other than the purchaser.

{§209(f)}

**7. Ranges of Earnings Statement.**

Seller makes no guarantee of earnings [or has provided Purchaser with statements concerning range of earnings.]

[not required but often included]

**8. No buy-Back or Security Agreement.**

Purchaser acknowledges that Seller provides no “buy-back” “protection” or “secured investment” arrangement of any nature whatsoever which would serve to protect Purchaser from the loss of any purchases or payments in connection with this seller-assisted marketing plan.

[not required but often included]

**9. Voidability of Contract.**

(a) If Seller has made any untrue or misleading statements in order to sell this Seller Assisted Marketing Plan to Purchaser, or if Seller has failed to comply with section 1812.203 of the California Civil Code, or fails or has failed to give the required disclosure statement to Purchaser, or if this Purchase Contract does not comply with the requirements of Title 2.7 of part 4. (sections 812.200 through 1812.221 of the California Civil Code), then within one year from the date of this Purchase Contract, this Purchase Contract shall be voidable by Purchaser at his/her election and upon written notice to Seller, and this Purchase Contract shall be unenforceable by Seller or its assignee. Purchaser shall be entitled to receive from Seller all sums paid to



Seller upon the return by Purchaser of all equipment, supplies, or products delivered by Seller. In the event that all equipment, supplies or products delivered by Seller cannot be returned by Purchaser, then Purchaser shall be entitled to receive from Seller all sums paid to Seller, less the fair market value at the time of the delivery of the equipment, supplies or products not returned by Purchaser but delivered by Seller. Upon the receipt of the such sums, Purchaser shall make available to Seller at Purchaser's address or at the places at which they are located at the time Purchaser had given Seller the Written notice voiding this Purchase Contract, the equipment, supplies or products received by Purchaser from Seller. If Seller inadvertently has failed to make any of the disclosures which are required by California Civil Code sections 1812.205 or 1812.206, or if this purchase Contract inadvertently fails to comply with the requirements of sections 1812.200 through 1812.220 of the California Civil Code, Seller may cure such inadvertent defect by providing Purchaser with the correct Disclosure Statement or Information Sheet or Purchase Contract, provided at that time Seller also informs Purchaser in writing that, due to Seller's error, Purchaser has an additional 15-day period after receipt of the correct Disclosure Statement or Information Sheet or Purchase Contract within which to cancel this Purchase Contract, and to receive a full return of all monies paid in exchange for the return of whatever equipment, supplies of products as Purchase may have. If Purchaser does not cancel this Purchase Contract within 15 days after receipt of the correct Disclosure Statement of Information Sheet or Purchase Contract, Purchaser may not thereafter exercise his right to void this Purchase Contract on the ground of non-compliance with the disclosure or contract requirements of California Civil Code sections 1812.200 through 1812.220.

(b) If Seller fails to deliver the equipment, supplies or products within thirty (30) days of the delivery date which is stated herein above (unless such delivery delay is beyond the control of Seller), then at any time prior to delivery or within thirty (30) days after delivery, this Purchase Contract shall be voidable by Purchaser at his/her election and upon written notice to Seller, and this Purchase Contract shall be unenforceable by seller or his assignee.

**10. Cancellation of Contract.**

[This provision MUST be in boldface, type, immediately above the place at which the purchaser signs the contract.]

You have three (3) business days in which you may cancel this Contract for any reason by mailing or delivering written notice to the Seller Assisted Marketing plan Seller. The three (3) business days shall expire on :

\_\_\_\_\_  
(last day to mail or deliver notice)

and notice of cancellation should be mailed or delivered to:

\_\_\_\_\_  
\_\_\_\_\_

If you choose to mail your notice, it must be placed in the United States mail, properly addressed, with first-class postage fully prepaid, and post-marked before midnight of the above date. If you choose to deliver your notice to the Seller directly, it must be delivered to him/her by the end of his/her normal business day on the above date. Within five (5) business days of receipt of the notice of cancellation, the Seller shall return to the Purchaser all sums paid by the purchaser to the Seller pursuant to this Contract. Within five (5) business days after receipt of all such sums, the Purchaser shall make available at his address or at the place at which they were caused to be located, all equipment, supplies, or products provided to the Purchaser pursuant to this contract. Upon demand of the Seller such equipment, supplies and products shall be made available at the time the purchase receives full repayment by cash, money order or certified check.

{§209(b)}

**IN WITNESS WHEREOF**, this Purchase Contract is executed at \_\_\_\_\_,  
on [month, day, year]

“PURCHASE”

“SELLER”

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_